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SIPDIS

SENSITIVE

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TAGS: [EAID](#) [ECON](#) [AORC](#) [AM](#) [UNDP](#)

SUBJECT: REVIEW OF UNDP PROGRAM IN ARMENIA

REF: STATE 106429

1. (U) Sensitive but unclassified. Please protect accordingly.

SUMMARY

2. (SBU) UNDP provides a valuable service to Armenia and supports U.S. goals. UNDP's current country program and goal statements are based on realistic assessments of Armenia's needs and reflect a knowledge of past programs' weaknesses and strengths. Post commends UNDP for its efforts in Armenia. End Summary.

WEAKNESSES AND STRENGTHS

3. (SBU) Post fully concurs with UNDP's self-assessment of program strengths and weaknesses as described in the country program. As stated in the UNDP Country Program for Armenia, structural factors play a large part in poverty and corruption, and these factors were not sufficiently taken into consideration in the 2000-2004 cooperation framework. In addition, Post verifies that the GOAM did not fully implement the intended better-governance applications of some UNDP projects.

4. (SBU) The new country program emphasizes building partnerships and developing strategies, which focus on nationally-identified goals, and Post believes this approach will alleviate most of the previous programmatic shortcomings. The country program also proposes to revise the management structure of the UNDP mission in Armenia. This restructuring has already resulted in increased efficiency, tighter focus of UNDP programs, and more accountability.

USG GOALS AND UNDP

5. (SBU) The UN Development Assistance Framework (UNDAF) governs the direction of the local UNDP mission. The UNDAF fits well with U.S. interests in Armenia, and it focuses on sustainable economic development and strengthening democratic institutions, which are two of the highest priorities for Post. USAID partners with UNDP on approximately 80 percent of UNDP's current and proposed economic development projects. Both agencies help Armenia implement its Poverty Reduction Strategy, both encourage development of small- and medium-sized enterprises, and both emphasize corporate social responsibility. UNDP and Post conduct different projects to encourage democratic institution building, but the projects are complementary and encourage transparent institutions, which are accountable to the citizens of Armenia.

SUCCESSFUL PARTNERSHIPS

6. (SBU) As proposed in the country program, UNDP effectively supports public/private partnerships to encourage corporate social responsibility. In December 2003, UNDP and Post officials began a dialogue with ten of the most powerful businessmen in Armenia in an effort to instill principles of corporate social responsibility in Armenian business. In early March 2004, UNDP and Post launched a similar effort aimed at medium and large Armenian enterprises with the full support and participation of GOAM officials. Post believes these partnerships will effectively engage the GOAM and business in poverty reduction strategies, and they offer an example of improved performance of UNDP cooperation, based on its country program and UNDAF.

COMMENT

17. (SBU) UNDP is an extremely effective development partner in Armenia. Under its current management, UNDP's efforts are effectively targeted and result oriented. Post values its partnership with UNDP.
ORDWAY